

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
NOVEMBER 21, 2005**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, November 21, 2005.

The meeting was called to order by Secretary Ken Sendelweck who presided.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Ken Sendelweck – Secretary
Michael A. Schwenk – Electric Commissioner
Jeffrey S. Theising – Water Commissioner
Edward J. Kreilein – Wastewater Commissioner
Alex Emmons – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Thomas A. Lents – Wastewater Manager
Michael A. Oeding – Gas & Water Manager
Kenneth R. Schultz – Business Manager
Sandy Hemmerlein – City Attorney

ABSENT:

Greg A. Krodel – Chairman
Mike Harder – Vice Chairman

PLEDGE OF ALLEGIANCE (B-21)

Secretary Ken Sendelweck led the Pledge of Allegiance.

TEMPORARY APPOINTMENT (B-25)

Secretary Ken Sendelweck stated that due to the absence of Chairman Greg Krodel and Vice Chairman Mike Harder he needed a motion to appoint a temporary chairman.

Ed Kreilein made a motion to appoint Ken Sendelweck as Temporary Chairman for this meeting. Jeff Theising seconded the motion. Motion approved, 5-0.

QUOTE OPENING: NEW TRUCK – GAS & WATER (B-47)

Sandy Hemmerlein opened the truck quotes and read them aloud as follows:

- | | | |
|----|-------------------------------------|------------------------------------------------------------|
| 1. | Uebelhor & Sons | 2006 Chevy ¾ ton 4x4
\$16,785.00 with trade in |
| 2. | Sternberg Chrysler | 2006 Dodge 2500 SLT ¾ ton 4x4
\$18,355.00 with trade in |
| 3. | Washington Chrysler | 2006 Dodge Ram 2500 4x4
\$19,470.00 with trade in |
| 4. | Ruxer Ford Lincoln Mercury Sterling | 2006 Ford F250 XL
\$15,489.00 with trade in |
| 5. | Bob Luegers | 2006 GMC Sierra 2500
\$16,600.00 with trade in |

Mike Oeding asked for Board approval to proceed with the low quote from Ruxer's, providing it meets specifications.

Mike Schwenk made a motion to allow Mike Oeding to proceed with the low quote from Ruxer's, providing it meets specifications. Alex Emmons seconded the motion. Motion approved, 5-0.

QUOTE OPENING: CHEMICALS FOR 2006 – GAS & WATER (B-112)

Mike Oeding informed the Board that several of the larger chemical companies suggested ordering chemicals as they are needed in the future, due to the instability of fuel prices and chemical prices. Oeding said he would review the quotes and give a full report at the next meeting.

Sandy Hemmerlein opened the chemical quotes and read them aloud. Quotes were received from the following companies:

1. Carus Chemical
2. Ulrich Chemical
3. Brenntag
4. C & S Chemicals
5. General Chemical
6. Mississippi Lime
7. Chemical Resources
8. SAL Chemical
9. Water Solutions
10. GAC Chemical
11. USALCO
12. JCI Jones Chemicals
13. Alexander Chemical

14. Applied Specialties
15. Carmeuse Lime

Mike Oeding stated he would take the chemical quotes under advisement and present a comparison and the results at the December meeting.

Alex Emmons made a motion for Mike Oeding to take the quotes under advisement and report back at the December meeting. Ed Kreilein seconded the motion. Motion approved, 5-0.

QUOTE OPENING: AS/400 COMPUTER REPLACEMENT – BUSINESS OFFICE (B-322)

Sandy Hemmerlein opened the quotes and read them aloud as follows:

- | | | |
|----|---------------------------------------------|-------------|
| 1. | Associated Systems
Greenville, SC | \$24,803.65 |
| 2. | Keller Schroeder & Assoc.
Evansville, IN | \$24,024.00 |
| 3. | IBM
Evansville, IN | \$23,367.00 |

Ken Schultz stated he would like to review the quotes and report back at the end of the meeting.

APPROVAL OF MINUTES (B-347)

Temporary Chairman Ken Sendelweck presented the minutes of the October 17, 2005 meeting and there being no corrections or amendments, asked for a motion to approve. Alex Emmons made a motion to approve the minutes of the October meeting as presented. Mike Schwenk seconded the motion. Motion approved, 5-0.

PETITION TO VACATE RIGHT-OF-WAY – VICTORY VILLA ADDITION (B-356)

Attorney Bill Kaiser, representing the Haas family and Cheyenne and Joe Toby, came before the Board to request the vacation of a right-of-way on Villa Dr, which runs from 36th St. to 37th St. Mr. Kaiser explained the street was never improved.

The utility managers confirmed there are no utilities or utility easements in the right-of-way.

Ed Kreilein made a motion recommending to the City Council to vacate the right-of-way as presented. Jeff Theising seconded the motion. Motion approved, 5-0.

2006 CAPITAL EXPENDITURE PLAN – ELECTRIC DISTRIBUTION (B-406)

Temporary Chairman Ken Sendelweck stated the 2006 Capital Expenditure Plan drafts have been submitted tonight as a matter of information, with discussion and approval/disapproval to take place at the December meeting.

Jerry Schitter invited the Board members to contact him with any questions or concerns on his capital expenditure plan.

DISASTER ASSISTANCE (B-421)

Jerry Schitter informed the Board that after the tornado in Vanderburgh and Warrick counties on November 5th, he sent three of his employees, along with a chipper and a truck, to assist in clearing the streets in Newburgh.

Also Vectren requested mutual aid and Schitter sent four linemen, along with a bucket truck and a derrick truck, to help restore power in Newburgh on November 8th, 9th & 10th.

2006 CAPITAL EXPENDITURE PLAN – ELECTRIC GENERATION (B-434)

Windell Toby invited the Board members to contact him with any questions or concerns on his capital expenditure plan.

POWER PLANT START UP (B-436)

Windell Toby informed the Board that the power plant was started up on October 26th, but a problem forced them to shut it down until October 28th, at which time it was started up again; and, according to Toby it has been running great ever since.

ELECTRIC PLANNING COMMITTEE REPORT (B-445)

Mike Schwenk, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

2006 CAPITAL EXPENDITURE PLAN – GAS & WATER (B-446)

Mike Oeding invited the Board members to contact him with any questions or concerns on his capital expenditure plan.

DISCUSSION ABOUT ORDERING CHEMICALS (B-449)

Mike Oeding stated that several of the larger chemical companies have suggested ordering chemicals on an as needed basis due the instability of fuel prices and chemical prices. Oeding said he would review the chemical quotes opened at tonight's meeting to determine if it would be economically feasible to order chemicals on an as needed basis or to continue with the annual quotes.

LETTER OF UNDERSTANDING WITH NGM (B-460)

Mike Oeding reported he received a letter of understanding from Natural Gas Marketers about gas purchasing pricing. Oeding explained he has had a long-standing deal with NGM where as the gas would be supplied at the "index" price posted on the first day of said month by Platts "inside

FERC's gas market report" for ANR Pipeline Company of Louisiana, plus five cents per DTH, but the deal was never formalized in writing.

Oeding said Sandy Hemmerlein has reviewed the letter.

Mike Schwenk made a motion to accept the letter of understanding with NGM as presented. Alex Emmons seconded the motion. Motion approved, 5-0.

APPLICATION FOR GAS CONNECTION TO WINDSONG ESTATES (B-514)

Mike Oeding presented and recommended approval of an application for a non-residential natural gas connection to Windsong Estates.

Ed Kreilein made a motion to approve the application for a non-residential natural gas connection to Windsong Estates as recommended by Mike Oeding. Jeff Theising seconded the motion. Motion approved, 5-0.

GAS PLANNING COMMITTEE REPORT (B-526)

Alex Emmons, Chairman of the Gas Planning Committee, reported the committee met on October 25th to review capital expenditure proposals for 2006, and to discuss further gas development up Portersville Road to 47th Street, which the committee recommended proceeding with.

The committee also met on November 15th to review updates to the capital expenditure plan and to meet with representatives from Wood Gas & Oil to discuss their future plans.

The committee has another meeting scheduled for Monday, November 28, 2005 at 10:15 AM.

Alex Emmons made a motion to extend our gas capabilities to the 47th Street area as recommended by the Gas Planning Committee. Ed Kreilein seconded the motion. Motion approved, 5-0.

WATER PLANNING COMMITTEE REPORT (B-576)

Jeff Theising, Chairman of the Water Planning Committee, reported there was a joint meeting with the Gas Planning Committee on October 25th to review the capital expenditure plan for the water utility.

2006 CAPITAL EXPENDITURE PLAN - WASTEWATER (B-583)

Tom Lents invited the Board members to contact him with any questions or concerns on his capital expenditure plan.

UPDATE – LATERAL LINE INSPECTION PROGRAM (B-584)

Tom Lents reported that 122 lateral line inspections have been performed since the program started on August 1st, and 18 of those inspections resulted in needed repairs at the homeowner's expense.

UPDATE – LIFT STATION UPGRADES (B-595)

Tom Lents reported the pumps for the Portersville lift station are in Indianapolis to have parts fabricated to allow the pumps to be used on our system. Delivery of the pumps is expected next week.

E & K Electric has been working at the Portersville lift station and they are on schedule.

The Northwood lift station pumps are ahead of schedule. Delivery is anticipated in early December.

WASTEWATER PLANNING COMMITTEE REPORT (B-610)

Ed Kreilein, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

2006 CAPITAL EXPENDITURE PLAN – BUSINESS OFFICE (B-612)

Ken Schultz invited the Board members to contact him with any questions or concerns on his capital expenditure plan.

STATE BOARD OF ACCOUNTS EXIT CONFERENCE (B-613)

Ken Schultz extended an invitation to the Board Chairman, Vice Chairman, or any other member of the Board to attend the State Board of Accounts exit conference on December 7, 2005 at 8:30 AM in the Mayor's conference room.

QUOTE RESULTS – AS/400 COMPUTER REPLACEMENT (B-623)

Ken Schultz reported that he had asked each company to quote on a basic machine with specific configurations, in addition to installation, 3 years of support on the operating system software, and a trade in allowance on the old machine.

The end result was the low quote of \$23,367.00 from IBM came out to be the high quote due to the installation services. They did not quote a total dollar amount for the installation, only a "per hour" charge of \$210 per hour. After looking at the installation hours on the other two quotes, the IBM installation cost would add \$6,720.00 to their quote of \$23,367.00, for a total quote of \$30,087.00.

Schultz reported the other two quotes were done as he had asked; therefore, he asked for approval to proceed with the low quote of \$24,024.00 from Keller Schroeder & Associates.

Jeff Theising made a motion to approve the low quote of \$24,024.00 from Keller Schroeder & Associates. Alex Emmons seconded the motion. Motion approved, 5-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (B-654)

Ken Sendelweck reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented were claims on behalf of Harrison & Moberly, LLP in the amount of \$27,661.45 and \$2,821.92, representing legal services; and, on behalf of Commonwealth Engineers in the amount of \$975.01, representing engineering services, all relating to the Titan litigation issue for the Wastewater Project. SRF and BIF funds have been exhausted; therefore, after Utility Service Board approval, the above referenced claims will be paid from Wastewater funds.

The Finance Committee recommended approval of the claims as presented.

Ed Kreilein made a motion to approve the claims as presented. Mike Schwenk seconded the motion. Motion approved, 5-0.

TITAN LITIGATION (B-668)

Sandy Hemmerlein stated that the bill from Harrison & Moberly was for the work done in submitting our motion for summary judgment on several of the issues in the Titan litigation case.

The other side requested an extension to file theirs, which should have been due about 3 weeks ago. Cincinnati should be filing their reply brief soon and we would have 2 weeks to file our response to their reply brief, and then it's in the hands of the judge.

Hemmerlein said we should have minimum attorney fees from now until the time we see how the court will rule on all of the issues.

There being no further business to come before the Board, the meeting was adjourned at 7:53 PM upon motion by Alex Emmons and second by Mike Schwenk. Motion approved, 5-0.

Attest: _____
Secretary

Chairman